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INSTRUCTIONAL OBJECTIVES FOR A JUNIOR COLLEGE COURSE IN ECONOMICS (FIRST SEMESTER)

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JC 690 404

ECONOMICS OBJECTIVES: SET # 1

UNIT I: BASIC ECONOMIC CONCEPTS

OBJECTIVES:

UNIT: As a basis for the study of economics the student must understand and be able to apply the basic economic concepts. This unit objective will have been met if the student successfully completes 80% of the general objectives.

GENERAL: The student will understand and apply the foundations of modern economic analysis. 80% of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: He will define "economic analysis" by piecing together given sentence fragments. (90%)

SPECIFIC: He will select from given alternatives the primary measure of a nation's standard of living. (100%)

SPECIFIC: He will answer correctly a multiple-choice question by selecting the most probable effects of a foreign war on a nation's standard of living. (100%)

SPECIFIC: He will state correctly the relationship between the scarcity of economic resources and the study of economics. (90%)

SPECIFIC: He will list at least four economic resources which are not natural resources. (100%)

GENERAL: the student will be able to apply an understanding of the principles underlying economic growth. 84% of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: He will arrange given sentence fragments into a correct definition of "economic growth". (100%)

SPECIFIC: He will select two measures of economic growth from a list of alternatives. (100%)

SPECIFIC: He will contrast the two roles that

population plays in relation to the output-per-capita measure of a standard of living. (100%)

SPECIFIC: He will select from given alternatives the correct relationship between education and economic growth. (100%)

SPECIFIC: In a paragraph of no more than fifty words he will explain the relationship between capital formation and economic growth. (90%)

SPECIFIC: In a 100 page paper he will give an example of the law of diminishing returns and explain its operation in his example. (90%)

GENERAL: The student will understand and be able to apply the principles involved in a private-enterprise, free-price economic system. 84% of the specific objectives will have to be met to fulfill this objective.

SPECIFIC: He will list the four economic questions which have to be answered by every economic system. (100%)

SPECIFIC: He will reproduce and label the various parts of a circular-flow diagram describing the flow of economic activity between businesses and the public. (80%)

SPECIFIC: He will identify, in 30 words or less, the role of government in the "laissez-faire" philosophy of the nineteenth century. (80%)

SPECIFIC: He will put together, given sentence fragments, a correct definition of a "mixed economy". (90%)

SPECIFIC: He will list four <u>economic</u> services that the government <u>must</u> provide because they cannot be provided by a private-enterprise economy. (75%)

SPECIFIC: He will describe in a 100 page paper the process by which the price system transmits information to the factors of production as to what to produce. (80%)

GENERAL: The student will understand the relationship between economic analysis and public policy. 100% of the specific objectives will have to be fulfilled to meet this requirement.

SPECIFIC: He will list three uses of economic models used in helping to form public policy. (66 2/3%)

SPECIFIC: He will list and describe in not more than 100 words four present-day goals of public policy. (1?0%)

SPECIFIC: He will give examples of four common fallacies in logic which can interfere with straight thinking in economics. (75%)

GENERAL: The student will respond to the principles of economic analysis. To meet this objective he will have to meet the specific objective.

SPECIFIC: He will bring questions to class concerning the principles of economic analysis underlying the events of current interest taking place outside class. (100%)

UNIT II: MONEY AND BANKING

OBJECTIVES:

UNIT: The monetary environment involves almost everyone. The more we understand it, the more easily we can fit into society. To understand money it is important to understand the functions and goals of our monetary institutions. To meet this objective the student must meet 66 2/3 % of the general objectives.

GENERAL : The student will understand what money is. To meet this requirement he must meet the requirements of 75% of the specific objectives.

SPECIFIC: He will select from given sentence fragments a correct definition of money. (100%)

SPECIFIC: Given a list of alternatives, he will choose those items which are money and those that are "near monies". (90%)

SPECIFIC: He will list two functions of money.(100%)

SPECIFIC: He will list five financial institutions. (80%)

GENERAL: The student will apply the process of the creation and contraction of money and credit. (20%) To fulfill this requirement the student must meet (80%) of the specific requirements.

SPECIFIC: He will select from given alternatives the most important way in which the amount of currency in circulation is determined. (100%)

SPECIFIC: He will segregate a list of items into those which are assets and those which are net worth and liabilities to a commercial bank. (80%)

SPECIFIC: He will write down the percentage of transactions which are made by bank checks. (90%)

SPECIFIC: He will choose from given alternatives the correct answer in response to the question, "Where do most bank deposits (dollar value) come from?" (100%)

SPECIFIC: He will choose from given alternatives the main reason for the legal reserve requirement. (100%)

SPECIFIC: With a 20% legal reserve requirement he will select from given alternatives the correct amounts of checking deposits that a bank can have. (100%)

SPECIFIC: He will state,in less than fifty words, the probable reaction of a banker,in a booming economy, to the realization that there are excess reserves in his bank. (90%)

SPECIFIC: He will select from given alternatives the main distinction between commercial banks and savings banks. (100%)

SPECIFIC: Using "T" accounts, he will trace the process by which money is created. He will have been given the assumption that all banks except one are presently "loaned-up" to their legal reserve requirement. (90%)

SPECIFIC: He will select from given alternatives the probable effect on checking deposits of a loss of reserves when banks are fully "loaned-up" to their reserve requirement. (100%)

GENERAL: The student will apply his understanding of the Federal Reserve System and its relationship to money and credit. To meet this requirement the student must meet

80% of the specific objectives.

SPECIFIC: He will select from a given list the five component parts of the Federal Reserve System.(100%)

SPECIFIC: He will state to whom the Federal Reserve Board of Governors is most responsible,to the President or to the Congress.(100%)

SPECIFIC: He will list the four main service functions of the Federal Reserve Banks. (100%)

SPECIFIC: He will select from given alternatives the distinguishing feature of a true central bank. (100%)

SPECIFIC: He will select the dollar amount of member bank deposits that could be supported by one dollar of gold. (100%)

SPECIFIC: He will list two "quantitative" and two "qualitative" credit controls. (100%)

SPECIFIC: He will state whether the volume of member-bank reserves goes up or down when the Federal Reserve buys government bonds. (100%)

SPECIFIC: He will state, in less than thirty words, the effect on credit, of raising the rediscount rate. (90%)

SPECIFIC: He will state, in less than fifty words, the effect on credit, of lowering the member-bank reserve requirements. (90%)

SPECIFIC: He will state in less than fifty words, the effect on credit of lowering the gold reserve requirement for member-bank deposits (reserves). (90%)

SPECIFIC: He will choose from given alternatives the different effect on the money supply when the Federal

Reserve Banks sell bonds to the public as compared to selling to the commercial banks.(100%)

UNIT III: NATIONAL INCOME, PRICES, AND EMPLOYMENT

OBJECTIVES:

UNIT: National income accounts and information about employment, prices, and income are contained in a large part of the everyday news to which a person is subjected. To understand the language of national income accounting will make a person more effective as a person and as a citizen. To meet the requirements for this unit the student will have to meet 100% of the requirements of the general objectives.

GENERAL: The student will understand the nature and use of the national income accounts. 80% of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: He will select from given choices, three ways that the gross national product can be computed. (100%)

SPECIFIC: If capital consumption allowances are subtracted from the gross national product he will state the name of the result. (100%)

SPECIFIC: He will state the name of the sum of all income payments received by the factors of production. (100%)

SPECIFIC: He will choose correctly the two main uses of national income accounts. (100%)

SPECIFIC: He will select from given choices the purpose of using constant dollars when measuring national income at different times. (100%)

GENERAL: The student will analyze situations using the theory of income, employment, and prices. 84% of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: From sentence fragments he will put together a short, complete definition of the marginal propensity to consume.

SPECIFIC: He will choose from given alternatives the correct relationship between consumption and savings. (100%)

SPECIFIC: Using the "permanent income hypothesis" he will select from given alternatives the probable result on a family's spending pattern of a large increase in income which is considered to be temporary. (100%)

SPECIFIC: He will choose from given alternatives the probable result of consumer spending of a large increase in cash balance relative to current income. (100%)

SPECIFIC: He will choose from given alternatives the probable spending pattern after a period of price controls and the rationing of scarce consumer's goods. (100%)

SPECIFIC: He will state whether the consumption function has been relatively stable or quite unstable over the past 100 years. (100 %)

SPECIFIC: Choosing from given alternatives, he will select those items which are considered to be investments in the economic sense of the word "investment". (100 %)

SPECIFIC: He will state whether consumption or private investment is likely to fluctuate the most over a short period. (100%)

SPECIFIC: From given sentence fragments he will put together a short, correct definition of the "Marginal efficiency of investment". (100%)

SPECIFIC: He will select from given alternatives the probable effect on investment of a dramatic new invention. (100%)

SPECIFIC: He will describe, in less than 25 words, the point at which a firm will stop investing. (90%)

SPECIFIC: He will state whether or not a full employment situation is obtained automatically when equilibrium is reached. (100%)

SPECIFIC: With an investment multiplier of three he will select the increase in national income caused by an increase in private investment of ten billion dollars. (100%)

SPECIFIC: He will select from given alternatives the necessary assumption underlying the working of the multiplier. (100%)

SPECIFIC: He will write a formula showing the relationship between the multiplier and the marginal propensity to consume. (100%)

SPECIFIC: If the interest rate is lowered by the Federal Reserve Systen, he will analyze the probable effect on the national income given an expanding economy. This will be done in a paper of no more than 300 words. (80%)

SPECIFIC: He will state in a 100 page paper the result of a large deficit in government spending on the economy; given, (1) an economy with a great amount of unemployment, and (2) an economy with full employment. (80%)

SPECIFIC: He will write a formula for the equilibrium condition involving consumption, investment, and government spending. (100%)

UNIT IV: ECONOMIC CHANGES AND THE BUSINESS CYCLE

OBJECTIVES:

UNIT: Few people are unaffected by fluctuations in their economic environment: To be able to deal effectively with economic fluctuations through economic policy it is important to understand the underlying forces and to find methods of measuring them. 662/3 % of the general objectives will have to be met to fulfill this requirement.

GENERAL: The student will understand the meaning and effects of changes in the price level. 80 % of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: He will name the device which is used to measure changes in the price level. (100%)

SPECIFIC: From a list of given alternatives he will select the two most important questions to be asked when analyzing the economic effects of inflation. (100%)

SPECIFIC: From a given list of occupations he will select those most adversely affected by a fairly rapid inflation (10% per year). (80%)

SPECIFIC: He will state the speed and direction of a change in the value of money during a period of hyperinflation. (100%)

SPECIFIC: He will name two types of occupations that usually gain financially from a deflationary period. (50 %)

GENERAL: The student will understand the nature of economic fluctuations. 75% of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: He will name three types of business cycle theories. (66 2/3 %)

SPECIFIC: He will select from given alternatives the relationship between the multiplier-accelerator process and the upswing of a business cycle. (90%)

SPECIFIC: He will state whether the banking system has many or few excess reserves at the peak of a major business cycle. (100%)

SPECIFIC: He will list three factors that put the United States economy in a better position to ward off a major depression than before 1930. (662/3 %)

GENERAL: The student will respond to the study of economic fluctuations. This objective will be met 100% or not at all.

SPECIFIC: In an examination he will be asked to explain in 50 words or less, the different changes in the price level over the past few years. Since the subject will not be discussed in class, if the student gets an answer which is basically correct it will indicate an outside-the-class investigation. (80%)

UNIT V: ECONOMIC POLICIES

OBJECTIVES:

UNIT: Economic policy is formed through the interactions of economic analysis with many social and political variables. Most voting on economic issues involves, directly or indirectly, some understanding or application of economic policy. Thus it is important that students understand and be able to apply the principles involved in public policy decisions. 100% of the general objectives will have to be met to fulfill this requirement.

GENERAL: The student will understand and apply the principles of monetary policy and the role that monetary policy plays in achieving these goals. 84% of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: He will list three primary goals of stabilization policy. (100%)

SPECIFIC: He will name two general tools used by the Federal Reserve Banks to limit the supply of credit. (100%)

SPECIFIC: He will state the relationship between the velocity of money and interest rates. (100%)

SPECIFIC: He will describe, in less than 50 words, two ways that the Federal Reserve Banks might try to bring the country out of a recession. (100%)

SPECIFIC: In a paper of not more than 200 words he will discuss the policy of the Federal Reserve System

during the depression of the 1930's. He will be asked to specifically identify their policy concerning the outflow of gold from the United States. (80%)

SPECIFIC: He will state in less than 30 words the two main purposes of gold in our monetary system today. (100%)

GENERAL: The student will understand and apply the principles of fiscal policy. To fulfill this requirement he must meet the requirements of 80% of the specific objectives.

SPECIFIC: He will choose from given alternatives the most likely effect of high government spending on an economy at far less than full employment. (100%)

SPECIFIC: He will stateein less than 50 words two ways that the government can cut down on total spending in the economy through fiscal policy. (100%)

SPECIFIC: With the economy at less than full employment, he will state whether increased government spending will cut, leave the same, or increase private investment. (100%)

SPECIFIC: With private investment held constant, he will choose from given alternatives the most probable effect on the national income of a balanced budget. (100%)

SPECIFIC: He will choose from given alternatives the most inflationary source of government borrowing. (100%)

SPECIFIC: He will arrange a given list of government spending possibilities in the order of those policies which will get the government spending respent quickly. (90%)

SPECIFIC: He will match "built-in-flexibility" and "functional finance" with the given situations in which each is most effective. (100%)

SPECIFIC: Given the goal of a balanced budget, he will state whether taxes are most likely to go up or down during a recession. (100%)

SPECIFIC: He will match "functional finance", "deficit spending", "pump-priming", and balanced budget" with the characteristics of each. (100%)

SPECIFIC: He will choose from given alternatives the possible conflicts between the goals of a stable price level and full employment. (90%)

GENERAL: The student will understand and apply the practical problems of stabilization ploicy. 85% of the specific objectives will have to be met to fulfill this requirement.

SPECIFIC: He will choose from given alternatives the "great unsolved problems of monetary- fiscal policy": the dilemma of how to hold down inflation while stimulating employment and growth. (100%)

SPECIFIC: He will select from given alternatives the effect on employment if wages are pushed up by unions faster than productivity is increasing, given the assumption that government is following price level stabilization policy. (100%)

SPECIFIC: He will state whether or not "built-in-flexibility" will render "functional financing"

unnecessary in the event of a large recession. (100%)

SPECIFIC: He will choose from given alternatives the probable resulting economic situation caused by strong unions and administered pricing accompanied by a monetary-fiscal policy of increased growth and employment. (100%)

SPECIFIC: He will list the two major historical causes of expansion in government spending. (100%)

SPECIFIC: He will state whether monetary policy, tax reductions, or increased government spending is faster acting. (100%)

SPECIFIC: He will state whether the economic costs of a war are paid by contemporary or future generations when the war is financed primarily by government borrowing. (100%)

SPECIFIC: He will state whether it is true or false that the government can easily go "bankrupt" by borrowing too much. (100%)

SPECIFIC: He will state the relative growth rate of G.N.P. compared to the national debt: faster, slower, or at the same rate. (100%)

SPECIFIC: He will choose the more important determinant of private investment: the size of the public debt or consumer demand relative to productive capacity. (100%)

SPECIFIC: He will choose from given alternatives the probable effect on monetary policy of a large public holding of government bonds during a strongly inflationary period. (80%)

SPECIFIC: He will explain in less than 50 words, a possible conflict between monetary policy and debt management. (80%)

SPECIFIC: He will state whether it is changes in the government debt or the absolute level of debt which is more important in terms of their economic effects. (100%)

SPECIFIC: He will choose from given alternatives the effect on a nation's money supply of a large reduction in the public debt. (100%)

UNIT VI: COMPARATIVE ECONOMIC SYSTEMS

OBJECTIVES:

UNIT: The two largest industrial powers in the world today are the United States and the U.S.S.R.. In the last 30 years Russia has made tremendous economic progress. Both country's economic systems seem to work well. Is one better than the other? Which system offers the most promise to the newly developing economics of the world? These are very important questions in the world of today. This unit is included in this course to contrast and compare the underlying principles of these two economic systems. Knowledge on this subject should certainly lead to more effective citizenship. To satisfy this requirement the general objectives must be met.

GENERAL: The student will understand and apply the major operational differences between the Soviet economy and the American economy. 75% of the specific objectives must be met.

SPECIFIC: He will select from given alternatives the two big differences between communism and capitalism. (100%)

SPECIFIC: He will select from given alternatives five criteria for evaluating any economic system. (80%)

SPECIFIC: He will name the two political bodies that set the broad economic goals for the Soviet economy. (100%)

SPECIFIC: In a paper of not more than 500 words he will explain how the Soviet economy answers the four basic economic questions which every economic system must answer. (80%)

SPECIFIC: He will name the primary tax of the Soviet economy. (100%)

SPECIFIC: He will state which economic system, communism or capitalism has the most trouble controling economic fluctuations. (100%)

SPECIFIC: He will select from given alternatives the different mechanisms for giving economic security in Russia and the United States. (100%)

ECONOMICS OBJECTIVES: SET # 2

UNIT I--BASIC ECONOMIC CONCEPTS

Before the student undertakes the study of Economics, he should have an understanding of basic economic concepts. This unit should furnish the student with a background which will make the remainder of the course more meaningful and more easily understood.

GENERAL OBJECTIVE: The student will have an understanding of the types of things Economics is concerned with.

SPECIFIC OBJECTIVE: He will write in less than 50 words an acceptable defintion of the term Economics.(100%)

SPECIFIC: Given a list of decisions to be made, he will select those which are "economic" in nature.(80%)

SPECIFIC: Given a list of goods with stated accompaning conditions, he will indicate which goods are "economic" in nature.(80%)

SPECIFIC: The student will state the fallacy of composition.(100%)

GENERAL: The student will have an understanding of the central economic problems every society faces.

SPECIFIC: The student will explain in 50 words the connection between the law of scarcity and the term "economic good."(90%)

SPECIFIC: Given a list of possible production situations, he will state to which the law of diminishing returns

is applicable.(80%)

SPECIFIC: Given a list of annual increase population and national income, he will match pairs which give specific numerical increases in per capita income.(80%)

GENERAL: The student will know the difference between the study of micro and macro-Economics.

SPECIFIC: Given a list of subject matter, he will distinguish which gererally fall within the realm of macro-economics and which within the realm of micro.(80%)

SPECIFIC: He will write in a period of 15 minutes an essay describing the merits for studying micro-economics and macro-economics respectively.(80%)

UNIT II--MONEY AND BANKING

Money plays a critical role in our economy. It is used in the purchase and exchange of most economic goods. It is important that the student understands its significance and how the amount of money in circulation is affected by financial intermediaries.

GENERAL OBJECTIVE: The student will know the critical role money plays in the economy.

SPECIFIC: Given a list of functions, the student will indicate which may be attributed to money.(90%)

SPECIFIC: He will select from a list the most appropriate definition of money.(100%)

GENERAL: The student will know the components of the balance sheet of a commercial bank.

SPECIFIC: Given a list of items, he will place them under the proper category of either asset or liability.(80%)

GENERAL: The student will understand the process by which money is created.

SPECIFIC: Given the amount of an initial deposit and the percent reserve requirement, he will state the amount by which the quantity may ultimately be increased(100%)

SPECIFIC: He will select from given alternatives the main reason for the reserve requirement.(100%)

SPECIFIC: He will state in less than 50 words the significance of theamount of free reserves a bank holds.(90%)

SPECIFIC: He will select from a list the probable response of a bank when a deposit is made, there are few free reserves, and the economy is tight.(100%)

SPECIFIC: Using "T" accounts, he will trace the process by which money is created.(90%)

GENERAL: The student will understand the workings of the federal reserve system.

SPECIFIC: Given a list of items, he will fill in a balance sheet for a federal reserve bank.(80%)

SPECIFIC: He will list the 3 means by which the Fed controls the money supply.(100%)

SPECIFIC: As the result of specific actions by the Fed, he will indicate if the interest rate is likely to go up or down.(90%)

SPECIFIC: Given desired effects of specific Fed actions, he will select from a list actions which will bring about these effects.(80%)

UNIT III--NATIONAL INCOME, INTEREST, PRICES, AND EMPLOYMENT

The study of national income and its components is an important part of any course in macro-economics. Information about national income, employment, interest, and prices is cintinually in the public media. The student should have sufficient knowledge in these areas to understand what he reads.

GENERAL OBJECTIVE: The student should have knowledge of the national income accounts.

SPECIFIC: Given the national income account in its heirarchy of gross national product, net national product, national income, personal income, and disposable personal income, the student will list what items must be added or subtracted from each preceeding figure to obtain the succeeding figure.(100%)

SPECIFIC: He will choose from a list presented correct statements why GNP is not a perfectly accurate measure of the well being of the economy.(80%)

SPECIFIC: He will construct a circular chart showing how the magnitude of GNP can be obtained via the expenditure method and the income method. (80%)

GENERAL: The student will have knowledge of the components of aggragate demand.

SPECIFIC: He will define the marginal propensity to consume and the marginal propensity to save.(100%)

SPECIFIC: He will draw diagrams of the saving and consumption functions and give explanations for their shapes.

SPECIFIC: Given the MPC he will state the changes in GNP due to specific increments in investment.(100%)

SPECIFIC: He will draw the investment and state explicitly the significance of its shape.(80%)

SPECIFIC: He will select from a list of alternatives the main reason why it is irrational to hoard money.(100%)

SPECIFIC: Outside of class he will write a 150-250 word paper describing the accelerator and interest models of investment, and will state which, if either, is the more valid model.(80%)

SPECIFIC: He will write a formula showing the relationship between the multiplier and MPC.(100%)

GENERAL: He will have a basic understanding of the role prices play in the economy and the important effect prices have on the level of employment.

SPECIFIC: He will state in a sentence the difference between money income and real income.(100%)

SPECIFIC: He will state in less than 100 words the importance of a price deflator and when its application in economic investigations might be appropriate.(80%)

SPECIFIC: In 50 words he will explain the formula: $w/p=MPL$, stating why this relationship is economically

rational.(80%)

SPECIFIC: outside of class he will write a 300 page paper discussing the possible effects of automation on the level of employment, using such economic terms as MPL and real wage.(80%)

UNIT IV--ECONOMIC POLICIES

It is important that the student know the economic effects of different policy measures. His vote along with those of fellow students may determine what policies are put into effect.

GENERAL OBJECTIVE: The student will understand the difference between monetary and fiscal policy.

SPECIFIC: Outside of class he will write a 200 page paper describing the nature of fiscal and monetary policy.(80%)

SPECIFIC: Given a list of economic conditions, he will state for each whether fiscal or monetary policy is the appropriate measure to achieve specific results.(80%)

SPECIFIC: Given a list of specific applications of monetary policy, he will match these with their probable economic results.(80%)

SPECIFIC: Given a list of specific applications of fiscal policy, he will match them with their probable economic results.(80%)

GENERAL: The student will have the ability to formulate monetary policy presented with differing economic situations.

SPECIFIC: From a furnished list of monetary policies along with their economic consequences, he will state for each whether the economy was in a deflationary or inflationary situation.(90%)

SPECIFIC: Given a list of economic situations, he will state which monetary policies are desirable.(80%)

GENERAL: The student will have the ability to formulate fiscal policy presented with differing economic situations.

SPECIFIC: He will list the correct fiscal policy instruments to apply against inflationary and deflationary situations.(80%)

SPECIFIC: He will state in 150 words the arguments for and against the importance for the federal budget being balanced.(80%)

GENERAL: The student will have knowledge of some of the problems associated with stabilization policies.

SPECIFIC: He will list the automatic stabilizers.(100%)

SPECIFIC: Outside of class he will write a 200 page paper discussing the possible incompatibility of the two goals: full employment and stable prices.(80%)

SPECIFIC: He will indicate which of the stabilizing factors is apt to be most influential in specific situations.(90%)

UNIT V--COMPARATIVE SYSTEMS

To be a well informed citizen, the student should know the essential characteristics of the socialistic and capitalistic economies.

GENERAL OBJECTIVE: The student will know the essential features of the socialist and capitalist economic systems.

SPECIFIC: He will explain in 150 words how a planned economic system goes about answering the 4 questions facing any economic order.(80%)

SPECIFIC: He will evaluate the U. S. and Soviet economies according to the following criteria:(80%)

1. Does the system provide a progressively higher standard of living for its members?
2. Does it provide reasonable economic security for all?
3. Does it produce the goods and services consumers want?
4. Does it provide for an equitable distribution of income?
5. Do the proper incentives exist to promote efficiency?
6. Is there sufficient stimuli for economic progress?

UNIT VI--INTERNATIONAL ECONOMICS

With the increased interdependency among nations, it is important that the student have an understanding of the rudiments of international trade theory and practices.

GENERAL OBJECTIVE: The student will know what is meant by a balance of international payments.

SPECIFIC: Given a list of items and statistics, he will arrange them correctly and be able to state the exact amount of a countries trade deficit or surplus, as the case may be.(80%)

GENERAL: He will understand the principles of international trade theory.

SPECIFIC: He will give a precise and concise definition of the terms "comparative" and "absolute advantage."(100%)

SPECIFIC: Given 2 hypothetical countries and their economic characteristics, he will state the direction in which trade is likely to go.(100%)

SPECIFIC: Outside of class he will write a 300 page paper describing the present dilemma the U. S. faces in regards to its gold stock.(80%)

SPECIFIC: He will match actual trade results between two countries with conditions in the two countries likely to bring about the stated results.(90%)

ECONOMICS OBJECTIVES: SET # 3

UNIT I

Introduction: Economics, the Discipline

I. Goal: The student shall have an awareness of what it is that is studied within the discipline of economics and the central problem to which the discipline is addressed.

Objective:

1. The student will define the terms economics, economic analysis, and economic policy in less than 25 words each.
2. Scarcity is the basic economic problem; in less than 25 words the student will state the two factors that give rise to scarcity.
3. Given a properly drawn and labeled hypothetical production-possibility curve of a two goods economy the student will be able to:
   a. state the output of the two goods at specified points,
   b. state the potential and actual level of output of the two goods at specified points,
   c. identify the production-possibilities "frontier",
   d. approximate the value of one good in terms of another at a specified point,
   e. indicate the probable direction in which the curve would shift given a specified change affecting the capacity of production in the economy, and

f. explain in less than 50 words the reason for the shape of the production-possibilities "frontier".

4. The student will list the four major economic decisions any economics system must make.

5. The student will properly draw and label a circular flow diagram of economic activity, identify its components, explain the essential relation it depicts, and state the conditions for equilibrium in less than 75 words.

6. Given a list of alternative statements, the student will indicate the one that most appropriately expresses the use of theoretical models in economics as an empirical social science.

7. In less than 25 words the student will state the condition for an equilibrium situation.

UNIT II

National Product and Income: Measurement and Theory

I. Goal: The student will know the principal measures of production and national income, their derivation, and their use.

Objective:

1. The student will be able to define production in one sentence.
2. Given a list of six activities, the student will select those which would most definately be considered production according to the correct definition of the term.
3. The student will state the two methods for estimating G.N.P.
4. The student will list in hierarchical order the five principal measures of national income and identify from a given list of terms those which distinguish one measure from the other within the hierarchy, (ie., those items which enable one measure to be calculated from the one preceding it within the hierarchy).
5. The student shall state the general relation between the value of money and the price level.
6. The student will list a minimum of six reasons why G.N.P. is not an adequate measure of economic well-being.

II. Goal: The student will understand the formulation of the simple Keynsian model and its application in predicting the outcome of an autonomous change in the principal variables: consumption, savings, investment, and government expenditures and taxes.

Objective: 1. Given a simple consumption function of the type C = b+aY and hypothetical values for b and a, (where C = consumption and Y = G.N.P.), the student will:

a. estimate the value for the m.p.c.,

b. identify the level of consumption if G.N.P. = 0,

c. estimate the value for the a.p.c.,

d. on a two demensional diagram graph the consumption function indicating and labeling the values for b and a on the diagram.

e. identify the value of m.p.s.,

f. identify the level of savings if Y = 0,

g. derive the savings function from the consumption function given above,

h. derive the multiplier associated with the consumption function above, and

i. draw the savings function derived in (e) on the diagram drawn in (d).

2. In less than 100 words the student will state and explain the permanent income hypothesis and its implications regarding the relative stability of the consumption function in both the long and short run.

3. Given the initial cost of an investment, the annual cost of maintaining the investment, and the expected annual increase in output, the student will:

a. estimate the marginal efficiency of the investment, and

b. indicate whether the investment would be

undertaken given the various values for the rate of interest.

4. The student will show the relation between the interest rate and the level of investment spending by drawing on a two demensional properly labeled diagram an investment schedule.

5. The student will write the formula for the equilibrium condition involving consumption, investment, and government spending, and explain the meaning of the equilibrium condition involving these variables by illustrating an appropriately drawn diagram.

6. The student will explain in less than 100 words the paradox of thrift.

7. The student will explain in less than 100 words the relation between money and income within Keynsian theory.

8. The student will state the equation of exchange and define in one sentence each of its terms.

9. The student will state which of the terms in the equation of exchange are variable and which are considered constant according to the classical quantity theory.

UNIT III

National Product and Income: Fluctuations and Stabilization

I. Goal: The student will have a knowledge of the performance and behavior of the principal macro economic variables during an economic fluctuation, and some understanding of the factors which influence their behavior.

Objective: 1. Given a sharp downswing is inderway and the economy is on a path toward depression, the student will select the correct pattern of behavior of the consumption/disposable income ratio from three alternatives.

2. Given that the economy is in an upswing, the student will choose from 5 alternative factors those which would not influence consumer spending.

3. Given 4 major components of production and employment, the student will select the one which has fluctuated most in the fluctuation of the total economy during the last 40 years.

4. Given the economy is at the trough of a major economic fluctuation and an autonomous increase in investment, the student will:

   a. indicate diagramatically the three progressive steps leading to a further increase in investment according to the "acceleration effect",

   b. explain in less than 25 words which step in the answer to (a) would not occur were the multiplier very low or zero,

c. explain in less than 75 words which step in the answer to (a) would most likely not occur assuming the "multiplier effect" was operative and give two reasons that step may not take place.

5. In less than 75 words the student state the probable effect of a constant money supply during the downswing or upswing of a major economic fluctuation.

6. The student will list 4 phases of the business cycle.

7. Given a list of 12 factors, the student will indicate those which would most likely exert an influence to end a downswing and those which would most likely exert an influence to end an upswing in a major fluctuation of the economy.

II. Goal: The student will understand the implication of an economic fluctuation in terms of its effect on employment and the price level.

Objective: 1. In less than 75 words the student will write a summary description of the 3 types of unemployment.

2. In one sentence the student will define inflation.

3. The student will list the three characterized types of inflation and indicate the range of their relative rates of change.

4. From a list of 6 alternative wealth or income groups the student will indicate which group will most likely gain or lose during a period of inflation

5. The student will list or briefly summarize the major arguements why inflation may be considered "bad" and

why it may be considered "good" according to its effects on real output per capita, and the distribution of real income and wealth.

6. The student will draw the Phillip's curve on a properly labled two dimensional diagram and in less than 75 words explain the essential relation it depicts and evaluate its theoretical and empirical validity.

UNIT IV

Money, Monetary Institutions, and the Monetary System

I. Goal: The student will have a knowledge of the nature and function of monetary institutions, and the organization and operation of the monetary system of the U.S.

Objective:

1. The student will list the characteristics and functions of money.
2. In less than 25 words the student will state the principal function of financial intermediaries.
3. In less than 50 words the student will explain the difference between an investment in the economic sense and an investment in the financial sense.
4. From a list of 4 activities, the student will indicate those which are performed by commercial banks in the U.S. but not performed by other financial intermediaries.
5. The student will state what limits the total volume of bank credit that can be extended in the U.S., and what limits the total volume of credit that can be extended by any banking system.
6. Given a one bank economy with a given supply of currency (ie. hard money) in circulation of which 20% is held by the public and the remaining held by the banks as reserve requirement, and the total money supply (ie. currency + D.D.) is given, the student will:

a. estimate the amount of money held by the public in the form of D.D.,

b. compute the amount of currency held by the public and by the banking system,

c. estimate the amount of currency the bank must hold in reserve to meet the legal requirements,

d. compute the excess reserves held by the banks,

e. estimate the total D.D. and money supply if banks expanded their loans to the legal limit.

7. The student will state the 4 major functions of the Federal Reserve.

8. The student will state the three major instruments the Fed can employ to control the money supply.

9. Given a list of 8 actions taken by the Fed, the student will indicate the probable independent effects of each action in the money supply.

10. In less than 50 words the student will define or explain each of the following terms:

a. near money,

b. adverse clearing balance,

c. margin requirements, and

d. credit creation.

UNIT V

Monetary Policy, Fiscal Policy, and Stabilization

I Goal: The student will understand the formulation of monetary policy and the application of monetary instruments to implement monetary policy.

Objective:

1. In less than 100 words the student will state the relation or chain of effect between the money supply and aggregate spending according to the Keynsian model and the "Portfolio-balances", pointing out the particular differences between the two.
2. Given alternative changes in the variables on which the demand for money depends, the student will indicate whether there is an increase or decrease in the demand for money.
3. In less than 50 words the student will explain the meaning of the "monetary drag" giving particular attention to the circumstances under which it can concievably arise.
4. The student will write a 150 word essay describing the three actions the Fed can take to restrain or stimulate aggregate demand giving particular attention to the potential impact of each action.
5. In less than 100 words the student will explain why one may expect differential effects of "tight money" giving an example of how a particular economic group might be adversely affected.

6. In less than 50 words the student will summarize the Fed's policy of "leaning against the wind".

7. In less than 50 words the student will summarize the arguement advanced by proponents of a 100% reserve requirement.

8. In less than 75 words the student will explain the "liquidity trap", giving particular attention to its historical origin and its implication as to the effectiveness of monetary policy.

9. In less than 25 words the student will suggest a monetary policy that may be undertaken assuming the validity of the "liquidity trap".

10. In less than 75 words the student will summarize the arguement for a fixed growth in the money supply.

11. In approximately 100 words the student will explain the "gold standard", giving particular attention to its prevalence historically, how the money supply was regulated with the gold standard, and whether it provided assurance of price stability.

II. Goal: The student will understand the formulation of the fiscal policy and the application of fiscal instruments to implement fiscal policy.

Objective: 1. Given an economy at a specified level short of the full employment level of G.N.P., and the public's m.p.c., ignoring the monetary implications and effects, and assuming private investment remains constant, the student will:

a. estimate the increased net income generated by government expenditures of a specified amount financed by bank borrowing,(also assuming the government expenditures are not transfer payments),

b. estimate the net income generated by government expenditures of a specified amount financed by taxation, and indicate the value of the balanced budget multiplier,

c. estimate the reduction in government revenue through taxation that would be necessary to generate a specified increase in G.N.P. were government expenditures to remain constant, and

d. estimate the probable net change in G.N.P. were the government to generate a specified level of expenditures for transfer payments financed by taxation.

2. In less than 100 words the student will briefly summarize at least three arguements for public investment expenditures to combat unemployment and lack of effective demand in the private sector and three arguements against.

3. Given a list of 4 approaches toward government fiscal budget policy, the student will indicate which approaches are most appropriate or representative of the thinking expressed in 6 alternative statements.

4. In less than 100 words the student will explain the possible conflict between a full employment domestic fiscal and monetary policy with,an international economic policy of maintaining an equilibrium in the balance of payments.

III. Goal: Government fiscal and monetary stabilization policy raises many issues and has many implications, the student will have an understanding of some of these issues and implications.

Objective: 1. Outside of class the student will obtain yearly information regarding the levels of unempolyment and rates of inflation for the U.S. economy during the past 15 years. This data will be presented on a two dimensional diagram as that employed in the formulation of the Phillip's curve.

2. In a 100 word paper written outside of class the student will evaluate the relation between employment and inflation in the U.S. in the last 15 years on the basis of the information derived and presented in the preceding objective.

3. The wage-price guideposts have been considered unrealistic and a failure. In less than 100 words the student will summarize the general provisions of the guideposts (details are not necessary) and summarize three criticisms of the guideposts.

4. In a 100 word essay the student will explain the origin of the national debt and explain the pattern of its relative importance to G.N.P. and the total of public

and private debt.

5. In less than 100 words the student will summarize at least 6 popular objections to the large national debt and offer at least one rebuttel to each objection.
6. The student will summarize at least 6 reasons why a severe depression is considered to be less likely today than 50 years ago in less than 150 words.

UNIT VI

Economic Growth and Development

I. Goal: The student will understand the principal aspects of contemporary and classical growth theory.

Objective:

1. The student will define economic growth in less than 25 words.
2. The Student will list two measures of economic growth and in less than 25 words explain for which purpose each measure is most important.
3. Two famous classical economists were pessimistic about the possibility of continued economic growth. The student will identify the two economists and summarize each of their arguements in less than fifty words.
4. The student will list the three supply factors stressed by modern theory as being most important to economic growth and explain in less than 25 words how each contributes to growth
5. Given a list of statements the student will indicate the ones not representative of economic concepts exposed by Adam Smith.
6. Given a list of income groups, the student will indicate the group which would be expected to recieve an increasing share of societies total income according to Recardian theory.
7. Given a list of income groups, the student will indicate the group which would be expected to recieve an

increasing share of societies total income according to Marxian theory.

8. Given values for the principal components of the Harrod-Domar, the student will compute the full-employment growth rate of a hypothetical economy.

II. Goal: The student will have an understanding of the principal problems of development of the less developed countries.

1. The student will diagram the "vicious circle of poverty" and in less than 50 words explain the essential relation it depicts.

2. In less than fifty words the student will define and/or explain each of the following terms:

   a. "forced saving" by inflation,

   b. population explosion,

   c. tied loans,

   d. dual economy,

   e. balanced vs. unbalanced growth, and

   f. social overhead capital.

3. The student will list five means by which the U.S. may possibly assist the economic development of less developed countries.

4. In less than 75 words the student will summarize three reasons why fiscal and monetary policy as employed in the U.S. is inappropriate for most less developed countries.

ECONOMICS OBJECTIVES: SET# 4

VII. Organization of Each Unit of Instruction

Unit Objective:

As a basis for the study of Economics the student will understand and be able to apply the basic economic concepts. This unit objective will have been met if the student successfully completes 75% of the general objectives.

Specific Objective: The student will list the four basic reasons for studying economics. (100%)

Specific Objective: The student will define "economic analysis" in less than 25 words. (90%)

Specific Objective: The student will select at least five goals of American Capitalism from a list of alternatives. (75%)

Specific Objective: The student will voluntarily bring discussion questions to class that deal with principles of economic analysis as they relate to current events. (50%)

Specific Objective: The student will select from a set of alternatives the primary measure of a nation's standard of living. (100%)

Specific Objective: The student will state correctly the relationship between the scarcity of economic resources and the study of economics. (90%)

Specific Objective: The student will list at least four economic resources which are not natural resources. (100%)

Specific Objective: The student will write examples of four common fallacies in logic which can interfere with logical thinking in Economics. (75%)

General Objective: (3 of 5)

The student will understand the basis for the existence of the "Economiying Problem" that is common to all societies.

Specific Objective: The student will list and explain the four factors of production in 25 words or less.

Specific Objective: (4 of 6) The student will define the following terms in 15 words or less:

1. Communism

2. Lassez-faire

3. Socialism

4. Entrepreneur

5. Economics

6. Capital Goods

Specific Objective: The student will write a short paragraph illustrating the "Economiying Problem." (80%)

Specific Objective: The student will apply his understanding of the five fundamental economic questions that must be answered by every society which struggles for optimum economic efficiency by describing how the United States, the Soviet Union and Great Britain attempt to answer the five questions. (65%)

General Objective: (4 of 6)

The student will understand the framework and basic assumptions which make up the capitalistic ideology.

Specific Objective: The student will apply his knowledge of the framework of capitalism by selecting at least two correct multiple choice questions. (100%)

Example:

Competition means:

a. Sellers can cause artificial product scarcities and thereby manipulate the market price.

b. There is more than one seller in a market.

c. There are a large number of independently-

acting buyers and sellers in each market.

d. A given product can be purchased at a number of different prices.

Specific Objective: (3 of 6) The student will define the following terms in less than fifteen words:

1. Limited government
2. Private property
3. Market economy
4. Competition
5. Freedom of enterprise and choice
6. The role of self interest.

Specific Objective: The student will write a short paragraph explaining the use of advanced technology (capital intensity versus labor intensity) in a capitalistic economy. (50%)

Specific Objective: The student will apply his understanding of the rule of comparative advantage (David Ricardo) by answering the following multiple choice question: (75%)

The Principle of Comparative Advantage states that:

a. Specialization may increase production, but only when the immediate disadvantage of capital accumulation is entailed.

b. A region should produce those products in which

it has the greater absolute advantage or lesser absolute disadvantage.

c. A region should produce only those products in which it has an absolute advantage.

d. A region should not produce any product in which it has an absolute disadvantage.

Unit II: Money and Banking

The monetary arena involves almost everyone. The better we understand it the better we can fit into society. To understand money it is important to understand the functions and goals of our monetary institutions. To meet this objective the student must meet 66 2/3% of the general objectives.

General Objective:

The student will understand what money is. To meet this requirement he must meet the requirements of 75% of the specific objectives.

Specific Objective: The student will define money in less than 25 words. (75%)

Specific Objective: The student will list two functions of money. (75%)

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Specific Objective: The student will list five financial institutions. (80%)

General Objective:

The student will apply the process of the creation and contraction of money and credit. (40%) To fulfill

this requirement the student must meet (80%) of the specific objectives.

Specific Objective: The student will be able to differentiate in a list of items those which are assets and those which are liabilities and net worth to a commercial bank. (80%)

Specific Objective: The student will list the most important way in which the amount of currency in circulation is determined. (100%)

Specific Objective: The student will write a short paragraph on the main distinctions between commercial banks and savings banks. (100%)

Specific Objective: The student will list the percentage of transactions which are made by bank checks. (90%)

Specific Objective: The student will state, in 50 words or less, the likely reaction of a banker, in a prosperous economy, when he realizes that there are excess reserves in his bank. (90%)

Specific Objective: The student will choose the correct answer in response to the question, "Where do most bank deposits (dollar value) come from?" (100%)

Specific Objective: The student will state the main reason for the legal reserve requirement. (100%)

Specific Objective: The student will state the likely effect on checking deposits of a loss of reserves when banks are fully "loaned-up" to their reserve requirement. (100%)

General Objective:

The student will apply his understanding of the Federal Reserve System and its relationship to money and credit. To meet this requirement the student must meet 80% of the specific objectives.

Specific Objective: The student will list the four main service functions of the Federal Reserve Banks. (100%)

Specific Objective: The student will state to whom the Federal Reserve Board of Governors is most responsible, to the President or to Congress. (100%)

Specific Objective: The student will state the five component parts of the Federal Reserve System. (100%)

Specific Objective: The student will list two "quantitative"and two "qualitative" credit controls. (100%)

Specific Objective: The student will state the dollar amount of member bank deposits that can be supported by one dollar of gold. (100%)

Specific Objective: The student will state, in less than 50 words, the effect on credit of raising the rediscount rate. (90%)

Specific Objective: The student will state whether the volume of member-bank reserves goes up or down when the Federal Reserve buys government bonds. (100%)

Specific Objective: The student will state, in less than fifty words, the effect on credit, of lowering the member-bank reserve requirements. (90%)

Specific Objective: The student will state in less than fifty words, the effect on credit of lowering the gold reserve requirement for member-bank deposits (reserves). (90%)

Specific Objective: The student will write a short paragraph on the differing effects on the money supply when the Federal Reserve Banks sell bonds to the public as opposed to selling them to the commercial banks. (100%)

Unit III: National Income, Prices, and Employment

Unit: National income accounts and information about employment, prices, and income are a large part of everyday's news. To understand the language of national income accounting will allow a person to be a better citizen. To meet the requirements for this unit the student will have to meet 80% of the requirements of

the general objectives.

General Objective:

The student will understand the nature and use of the national income accounts. 75% of the specific objectives will have to be met to fulfill this requirement.

Specific Objective: The student will list the three ways that the gross national product can be computed. (100%)

Specific Objective: The student will state the name of the sum of all income payments received by the factors of production. (100%)

Specific Objective: The student will state what the result is called if depreciation is subtracted from the gross national product. (100%)

Specific Objective: The student will state in less than 30 words the reason for using constant dollars when measuring national income at different time periods. (100%)

Specific Objective: The student will list the two main uses of national income accounts. (100%)

General Objective:

The student will analyze situations using the theory of income, employment, and prices. 80% of the specific objectives will have to be met to fulfill this requirement.

Specific Objective: The student will state the relationship between consumption and savings. (100%)

Specific Objective: The student will define, in 50 words or less, marginal propensity to consume.

Specific Objective: The student will state the likely spending pattern after a period of price controls and the rationing of scarce consumer's goods. (100%)

Specific Objective: The student will state that likely spending pattern after a large increase in income which is considered to be only temporary. (100%)

Specific Objective: The student will state whether the consumption function has been relatively stable or quite unstable over the past 30 years. (100%)

Specific Objective: The student will write a formula showing the relationship between the multiplier and the marginal propensity to consume. (100%)

Specific Objective: The student will define, in less than 30 words, real investment.

Specific Objective: The student will state the necessary assumption underlying the working of the multiplier. (100%)

Specific Objective: The student will state whether or not a full employment situation is obtained automatically when equilibrium is reached.

Specific Objective: The student will state whether consumption or private investment is likely to fluctuate the most over a short range time period. (100%)

Specific Objective: The student will describe, in less than 50 words, the point at which a firm will stop investing. (90%)

Specific Objective: The student will write a short definition of the "Marginal efficiency of investment," in less than 50 words.

Unit IV: Economic Changes and the Business Cycle

Unit: To be able to deal effectively with economic fluctuations through economic policy it is imparative that the student understand the underlying forces and to find methods of measuring them. 66 2/3% of the general objectives will have to be met to fulfill this requirement.

General Objective:

The student will understand the meaning and likely effects of changes in the price level. 80% of the specific objectives will have to be met to fulfill this requirement.

Specific Objective: The student will cite the two occupations that normally gain financially from a deflationary period. (50%)

Specific Objective: The student will name the particular device which is used to measure changes

in the price level. (100%)

Specific Objective: The student will state with what speed and in what direction the value of money moves during a period of hyperinflation.

Specific Objective: The student will state which occupations would be adversely affected by a rapid inflation (10% per year). (80%)

Specific Objective: The student will cite the two most important questions to be asked when analyzing the economic effects of inflation. (100%)

General Objective:

The student will understand the nature of economic fluctuations. 75% of the specific objectives need to be met to fulfill this requirement.

Specific Objective: The student will list three factors which put the United States economy in a better position to fight off a major depression. (70%)

Specific Objective: The student will list three types of business cycle theories. (60%)

Specific Objective: The student will state whether the banking system has large or small excess reserves at the peak of a major business cycle. (100%)

Specific Objective: The student will state the relationship between the multiplier-accelerator process and the upswing of a business cycle. (60%)

Unit V: Economic Policies

Unit: Economic policy is established through the interaction of economic analysis with many social and political variables. Voting on economic issues involves an understanding of economic policy. It is therefore imperative that students are able to apply the principles involved in major economic policy issues. 90% of the general objectives will need to be met to fulfill this requirement.

General Objective:

The student will understand and apply the principles of monetary policy. 80% of the specific objectives will need to be met to fulfill this requirement.

Specific Objective: The student will describe, in less than 50 words, two ways that the Federal Reserve banks might attempt to bring the country out of a recession. (100%)

Specific Objective: The student will list three goals of stabilization policy. (100%)

Specific Objective: The student will state the relationship between the velocity of money and the interest rate. (100%)

Specific Objective: The student will list, in less than 50 words, two general tools used by the Federal Reserve System to limit the supply of credit. (100%)

Specific Objective: The student will write a short essay of not more than 200 words discussing the policy of the Federal Reserve System during the depression of the 1930's. The student will include in this essay their policy regarding the outflow of gold from the United States. (80%)

Specific Objective: The student will state in less than 30 words the two main purposes of gold in the United States monetary system today. (100%)

General Objective:

The student will understand and be able to apply the principles of fiscal policy. To fulfill this requirement he needs to meet the requirements of 80% of the specific objectives.

Specific Objective: The student will describe, in less than 50 words, two ways that the Federal Reserve banks might attempt to bring the country out of a recession. (100%)

Specific Objective: The student will list three goals of stabilization policy. (100%)

Specific Objective: The student will state the relationship between the velocity of money and interest rate. (100%)

Specific Objective: The student will list, in less than 50 words, two general tools used by the Federal Reserve System to limit the supply of

credit. (100%)

Specific Objective: The student will write a short essay of not more than 200 words discussing the policy of the Federal Reserve System during the depression of the 1930's. The student will include in this essay their policy regarding the outflow of gold from the United States. (80%)

Specific Objective: The student will state in less than 30 words the two main purposes of gold in the United States monetary system today. (100%)

General Objective:

The student will understand and be able to apply the principles of fiscal policy. To fulfill this requirement he needs to meet the requirements of 80% of the specific objectives.

Specific Objective: The student will define, in less than 25 words, the following terms:

1. "pump-priming"
2. "balanced budget"
3. "deficit spending"
4. "functional finance"

Specific Objective: The student will state the most likely effect of high government spending on an economy which is operating at much less than full employment. (100%)

Specific Objective: The student will state the

possible conflicts between the goals of a stable price level and full employment. (90%)

Specific Objective: The student will state in less than 50 words two ways that the government can cut down on total spending in the U.S. economy through fiscal policy. (100%)

Specific Objective: The student will state, given the goal of a balanced budget, whether taxes are most likely to go up or down during a recession. (100%)

Specific Objective: The student will state, with the economy at less than full employment, whether increased government spending will reduce, leave the same, or increase private investment. (100%)

Specific Objective: The student will arrange a group of alternatives in the order in which those policies will get government spending respect the quickest. (90%)

Specific Objective: The student will state, with private investment held constant, the most likely effect on national income of a balanced budget. (100%)

Specific Objective: The student will state, in less than 50 words, the most inflationary source of government borrowing. (100%)

General Objective:

The student will understand and be able to apply the practical problems of stabilization policy. 80% of the specific objectives will need to have been met to fulfill this requirement.

Specific Objective: The student will state the likely effect on the nation's money supply of a large reduction in the public debt. (100%)

Specific Objective: The student will write a short essay on the "great unsolved problem of monetary-fiscal policy": the dilema of how to hold down inflation while stimulating growth and employment. (100%)

Specific Objective: The student will state whether it is changes in the government debt or the absolute level of debt which is more important in terms of their economic effects. (100%)

Specific Objective: The student will state the most likely effect on employment if wages are pushed up by labor unions faster than productivity increases, given the assumption that the government wants to maintain a stable price level.

Specific Objective: The student will explain, in less than 50 words, a possible conflict between monetary policy and debt management. (80%)

Specific Objective: The student will state the

most likely result when strong unions and administered pricing are accompanied by a monetary-fiscal policy of increased growth and employment. (90%)

Specific Objective: The student will state the most likely effect on monetary policy of a large public holding of government bonds during a strong inflationary period. (80%)

Specific Objective: The student will list, in less than 50 words, the two major historical causes of expansion in government spending. (100%)

Specific Objective: The student will state which is the most important determinant of private investment: the size of the public debt or consumer demand relative to productive capacity. (90%)

Specific Objective: The student will state whether monetary policy, tax reductions, or increased government spending is faster acting. (100%)

Specific Objective: The student will state the relative growth rate of the gross national product compared to the national debt: faster, slower, or at the same rate. (100%)

Specific Objective: The student will state whether the economic costs of a war are paid for by contemporary or future generations when the war is financed primarily by government borrowing. (100%)

Specific Objective: The student will state whether he thinks the government can go "bankrupt" by borrowing too much. (100%)